



Setting Standards for Excellence

**Statement by Timothy Feldman, Vice President  
National Electrical Manufacturers Association  
at the  
U.S. International Trade Commission hearing on  
“Steel-Consuming Industries: Competitive Conditions with Respect to Steel  
Safeguard Measures” (Investigation #332-452)**

**June 19, 2003**

The National Electrical Manufacturers Association appreciates this opportunity to speak with you along with senior executives from three of our member companies: Advance Transformer, Lincoln Electric and Acuity Lighting.

NEMA is the largest trade association representing the interests of U.S. electrical industry manufacturers. Its mission is to improve the competitiveness of member companies by providing high quality services that impact positively on standards, government regulation and market economics. Our 400 member companies manufacture products used in the generation, transmission, distribution, control, and use of electricity. These products, by and large unregulated, are used in utility, industrial, commercial, institutional and residential installations. The Association's Medical Products Division represents manufacturers of medical diagnostic imaging equipment including MRT, C-T, X-ray, ultrasound and nuclear products. Domestic shipments of electrical products within the NEMA scope exceed \$100 billion annually.

In a nutshell, NEMA strongly urges the U.S. Government to end its Section 201 foreign steel tariffs – tariffs that a World Trade Organization (WTO) panel has informed the Administration are inconsistent with U.S. commitments under the Agreement on Safeguards. Despite the many specific product exceptions granted since the safeguard measures were launched a year ago, we firmly believe that protectionist steel tariffs such as these do not help the domestic steel industry become more globally competitive, and are causing far more damage in consuming industries than benefit among domestic steel producers. Especially in today's economy, NEMA member companies are letting us know that they cannot pass the higher prices of steel inputs – due to the tariffs and the pricing decisions of protected U.S. steel companies – along to their customers.

NEMA is pleased to see the International Trade Commission conducting a study of the tariffs' effects that takes the concerns of steel consumers into consideration. Hopefully, it will comprise an important part of a mid-term review of the March 2002 “safeguard” remedy – a review that should lead to the tariffs' termination. In NEMA's

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view, the health of the domestic steel industry is better addressed by the Administration's initiative to bring together global steel producers under the auspices of the Organization for Economic Cooperation and Development (OECD) to negotiate real and enforceable disciplines that address excess steel production capacity.

In closing, the electrical industry asks the U.S. Government to take seriously the statutory language of Section 201 -- which requires that any remedy adopted by the President must "provide greater economic and social benefits than costs." Based on what our members are telling us about the damage these tariffs are causing them, NEMA believes that the current safeguard policy clearly fails to meet these criteria.

Thank you again for this opportunity to speak with you today.